

Fact Sheet: 2008 Filing Season Earned Income Tax Credit

❑ What is EITC?

- The Earned Income Tax Credit (EITC) is a refundable federal income tax credit designed for individuals and families who earn low-to-moderate incomes.
- EITC can reduce tax liability, or it can even provide a sizable refund when no taxes were withheld.
- For Tax Year 2006, it is estimated that more than 460,000 Californians missed out on this credit and left more than \$850 million on the table.

❑ How much money do I get if I qualify to claim the EITC credit?

- For Tax Year 2007, the maximum credit is:
 - \$4,716 with two or more qualifying children.
 - \$2,853 with one qualifying child.
 - \$428 with no qualifying children.

❑ What are the EITC eligibility requirements?

- Taxpayers must meet the following requirements and file a tax return, even if they did not earn enough money to be obligated to file a tax return:
 - Have a valid social security number.
 - Have earned income from employment or from self-employment.
 - Filing status cannot be married filing separately.
 - Must be a U.S. citizen or resident alien all year, or a nonresident alien married to a U.S. citizen or resident alien and filing a joint return.
 - **Cannot** be a qualifying child of another person.
 - If you do not have a qualifying child, you must:
 - Be age 25 but under 65 at the end of the year,
 - Live in the United States for more than half the year, and
 - Not qualify as a dependent of another person.
 - Earned income and adjusted gross income must each be less than:
 - \$37,783 (\$39,783 married filing jointly) with two or more qualifying children.
 - \$33,241 (\$35,241 married filing jointly) with one qualifying child.
 - \$12,590 (\$14,590 married filing jointly) with no qualifying children.

❑ **Get more information about EITC**

- Visit the IRS website at irs.gov.
- Or, visit your local Volunteer Income Tax Assistance site. To find one near you, go to our website at ftb.ca.gov or call us at 800.852.5711.

❑ **Contact**

- Franchise Tax Board
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